

# financial repport



**St John Ambulance Australia (NSW)**  
*Saving lives through first aid*

# 2018

# **St John Ambulance Australia (NSW) and controlled entity**

ABN 84 001 738 370

Financial Report

For the year ended 31 December 2018

**ST JOHN AMBULANCE AUSTRALIA (NSW)  
AND CONTROLLED ENTITY  
ABN 84 001 738 370**

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**ST JOHN AMBULANCE AUSTRALIA (NSW)  
AND CONTROLLED ENTITY  
ABN 84 001 738 370**

**DIRECTORS' REPORT**

The Directors present their financial report for St John Ambulance Australia (NSW) ("the Company") and its controlled entity, which are together referred to in this report as the group or economic entity, for the year ended 31 December 2018.

St John Ambulance Australia (NSW) is an entity limited by guarantee with no share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

### **Our Mission**

St John Ambulance Australia (NSW) has been operating in NSW for over 130 years with the primary mission of saving lives through first aid.

Everything the group does is ultimately directed towards its mission. The surplus achieved through all of the commercial and fundraising activities goes directly to supporting our community programs including free First Aid training for primary school students, leadership development programs for our volunteers and cadets and to providing crucial first responder and health services for local and state community events.

In 2018 we achieved our mission by:

- **Community education:** Our dedicated team of trainers and support staff educated over 65,825 people in first aid in 2018, empowering them with the practical skills and confidence to save a life in the event of an emergency.
- **First Aid in Schools:** We trained over 13,000 primary school aged children in the basics of First Aid in 2018. Delivered at no cost to schools or parents, this program has reached over 80,000 children in New South Wales. Each of these young people are bringing First Aid into their homes while encouraging and engaging others to participate.
- **Community Engagement:** Our First Aid Force community engagement vehicle was able to connect with over 3,600 young people at schools and community events training them in crucial First Aid skills including CPR, burns and bleeds management, how to use a defibrillator and the treatment of sprains and strains.
- **Providing access to life saving equipment:** we helped provide vital first aid equipment that went into family homes, schools, workplaces and community areas. In 2018 2,103 lifesaving defibrillators and 83,566 first aid kits were sold across New South Wales contributing to a safer environment for all.
- **Building safer communities:** Our 3,368 volunteers delivered First Aid services at 5,377 large and small public gatherings across the state, helping 14,133 people and providing 153,939 hours of service to the community. We support these inspirational volunteers by providing them with the best training, equipment and volunteering environment to ensure they remain the standard bearers for event health services in the state. We thank each one of our volunteers for sacrificing so much of their time for the New South Wales community.
- **Improving health outcomes:** Our volunteer first aiders, responders and health care professionals treated 13,131 patients in 2018 who did not require subsequent transfer to hospital, improving patient outcomes and diverting a significant number of potential patients from emergency departments across the state.
- We are incredibly proud of our 748 youth members who, through our youth development programs, learn not only life saving First Aid skills that help make their communities safer but also develop leadership and communication skills while making long lasting friendships.



**ST JOHN AMBULANCE AUSTRALIA (NSW)  
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**DIRECTORS' REPORT (CONTINUED)**

**Reputation & Trust**

We are pleased we remain one of Australia's most reputable charities in 2018. The annual Australian Charity Reputation Index survey, which ranks Australia's 40 largest charities by reputation ranked St John Ambulance fourth overall.

This result shows the value and trust the community places in our vital community services and programs.

**Financial Overview**

2018 was a successful year for the organisation with significant growth in our First Aid Products and Training businesses that provide vital funding for our community programs. The 2018 financial year ended with a net surplus of \$222,570, this compares favourably to the normalised 2017 operating deficit of \$204,452. The normalised 2017 results exclude the gain of \$6,468,500 on the sale of our Burwood property and \$817,952 received in a generous donation from Insurance Australia Group (IAG).

Overall revenue from commercial operations increased by 15% in 2018. First Aid product sales achieved significant growth of 34% driven by an increase in First Aid kit sales to our major retail partners and an increase in the volume of defibrillator sales. Revenue from First Aid Training increased by 5% in 2018 reversing the trend of relatively flat growth in this area over recent years, a pleasing result in a highly competitive market.

Total expenses increased by 14% in 2018, the majority of this increase was in cost of goods sold aligned to the growth in First Aid product sales. During the year we continued to support and invest in community programs including community event services, the First Aid in Schools program, youth development and leadership programs and funding for various local and international programs as part of the wider international St John Ambulance network.

In 2018 we invested in establishing our fundraising capability, St John Ambulance Australia (NSW) has traditionally funded our community programs from the income generated from our First Aid Sales, Service and Training operations. As a self funded charitable organisation we see in the future fundraising to be an important avenue to help us continue the work we do in communities' right across the state. We will continue to invest in developing and expanding our capabilities in this area in 2019.

In 2018 we made capital investments in excess of \$525,000 in our community event services infrastructure, information technology software and platforms and in the development of a state of the art First Aid training facility in the Sydney CBD

**Investment Overview**

During the financial year, the group realised positive returns on its portfolio of investments in the form of dividend and interest income totalling \$1,218,000. At 31 December 2018, investments in the portfolio were re-valued resulting in an unrealised change to the value of the investment portfolio of (\$825,000) being recognised in other comprehensive income. With improvements in both domestic and international markets, it is expected that this unrealised revaluation will reverse and that the group will continue to benefit from positive returns from these assets.

**Thank you**

To all of our customers and stakeholders we thank you for your continued support of St John Ambulance Australia (NSW) in 2018.

To our volunteers who give up your time to save lives, we are incredibly proud of the work that you do supporting communities right across New South Wales, thank you for your passion and service.

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**DIRECTORS' REPORT (CONTINUED)**

**Thank you (continued)**

To our donors and supporters, we are honoured by your generosity. Your donations, grants and bequests directly support our community programs and volunteers, saving lives in communities across the state.

To our staff, thank you for your dedication to your work and to the communities served by St John.

To our corporate partners, your support enables us to fulfil our goal of making First Aid a part of everybody's life. Every time a company selects St John Ambulance Australia (NSW) to train their staff in first aid, installs a St John workplace First Aid kit, buys a defibrillator, makes St John products available for sale or supports a St John division with goods or services, you help to fund First Aid in the community.

**Directors Details**

The Directors of the Company at any time during or since the end of the year are:

Name and qualifications	Experience
Sean McGuinness BCom (Fin/Acc), FCA, GAICD <i>Independent Non-Executive Director</i>  <i>Chair of the Board of Directors</i>  <i>Member of the Honors and Awards Committee</i>	<ul style="list-style-type: none"> <li>• C-Suite executive with extensive listed and private company experience in Australia, Europe, United States and Asia</li> <li>• Fellow of the Institute of Chartered Accountants Australia</li> <li>• Graduate of the Australian Institute of Company Directors</li> <li>• Director St John Ambulance Australia</li> </ul>
Ajoy Ghosh BEng, MEM,GAICD, MACS-CP, IRAP <i>Independent Non-Executive Director</i>  <i>Chair of the People &amp; Governance Committee</i>  <i>Member of the Audit, Risk &amp; Investment Committee</i>	<ul style="list-style-type: none"> <li>• IT Governance and cyber security expert</li> <li>• Sessional Lecturer, UNSW Canberra/Australian Defence Force Academy</li> <li>• Member of Standards Australia committee IT-12 IT Governance and IT-12-4 IT security</li> <li>• Senior member of Australian Computer Society</li> <li>• Member of ACS Cyber Security technical committee</li> <li>• Graduate of the Australian Institute of Company Directors</li> <li>• Member of the Director Institute</li> </ul>
Sue Campbell-Lloyd AM, RN, OStJ <i>Independent Non-Executive Director</i>  <i>Chair of the Honors &amp; Awards Committee</i>  <i>Member of the People &amp; Governance Committee</i>	<ul style="list-style-type: none"> <li>• Extensive experience in public health management policy and health management</li> <li>• Retired</li> </ul>
Associate Professor Jason Bendall OStJ BMedSc(Hons) MBBS MM(ClinEpi) PhD FANZCA FPA FANZCP GAICD <i>Independent Non-Executive Director</i>  <i>Commissioner</i>	<ul style="list-style-type: none"> <li>• Specialist Anaesthetist</li> <li>• Prehospital and Retrieval Medicine</li> <li>• Emergency Medical Services &amp; Paramedicine</li> <li>• First aid and resuscitation</li> <li>• Health Service Management</li> <li>• Volunteering</li> </ul>

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**DIRECTORS' REPORT (CONTINUED)**

Name and qualifications	Experience
<p>Scott McDonald BA, LLB, FAICD <i>Independent Non-Executive Director</i></p> <p><i>Deputy Chair of the Board of Directors</i></p> <p><i>Member of the Audit, Risk &amp; Investment Committee</i></p>	<ul style="list-style-type: none"> <li>• Legal Practitioner</li> <li>• Partner, Sparke Helmore Lawyers</li> <li>• Senior Member, NSW Civil &amp; Administrative Tribunal, Consumer &amp; Commercial Division</li> <li>• Facilitator, Australian Institute of Company Directors, Company Directors' Course</li> <li>• Fellow, Australian Institute of Company Directors</li> </ul>
<p>Joanne Muller BSc, DipEd, LLB <i>Independent Non-Executive Director</i></p> <p><i>Member of the People &amp; Governance Committee</i></p> <p><i>Member of the Honors &amp; Awards Committee</i></p>	<ul style="list-style-type: none"> <li>• Legal Practitioner</li> <li>• Member - Psychology Board of Australia</li> <li>• Legal Member - Nursing and Midwifery Council of NSW</li> <li>• Director - Girl Guides NSW&amp; ACT</li> <li>• Chair – Child Safe Review Girl Guides</li> <li>• Trustee – Sydney Metropolitan Cemeteries Trust</li> <li>• Occasional Lecturer - Macquarie University (Chiropractic)</li> <li>• Guest Lecturer – University of New South Wales (Optometry)</li> <li>• Member – Radiation Advisory Committee of NSW</li> </ul>
<p>Coretta Bessi BCom, MBA, GAICD <i>Independent Non-Executive Director</i></p> <p><i>Honorary Treasurer</i></p> <p><i>Chair of the Audit, Risk &amp; Investment Committee</i></p> <p><i>Member of the People &amp; Governance Committee</i></p>	<ul style="list-style-type: none"> <li>• Chief Procurement Officer with experience across public, private and listed organisations</li> <li>• Graduate of the Australian Institute of Company Directors</li> <li>• Lecturer University of Wollongong / Sydney Business School (Procurement / Negotiations)</li> </ul>

**Meetings of Directors**

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

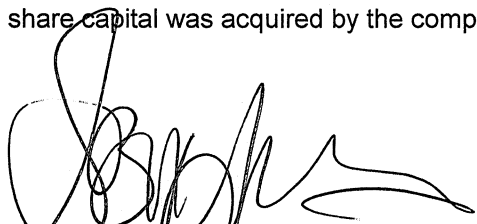
Directors	Board Meetings		Audit Risk & Investment		Honours and Award		People, Culture & Governance	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Sean McGuinness	8	8	-	-	2	2	-	-
Scott McDonald	8	7	4	3	-	-	-	-
Jason Bendall	8	6	4	2	2	2	-	-
Coretta Bessi	8	8	4	4	-	-	2	2
Sue Campbell-Lloyd	8	8	-	-	2	2	2	2
Ajoy Ghosh	8	6	4	4	-	-	2	2
Joanne Muller	8	7	-	-	2	1	2	1

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**DIRECTORS' REPORT (CONTINUED)**

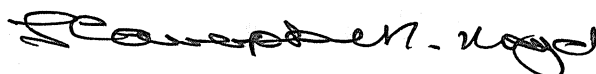
**Events subsequent to Balance Date**

On 18 January 2019, consent was received from ASIC for the company's controlled entity, St John Ambulance Australia (NSW Trust) Limited to be converted to a private company, limited by shares, on this date the entity was renamed St John Ambulance Australia (NSW Trust) Pty Limited. On 28 February 2019 100% of the issued share capital was acquired by the company.



**Sean McGuinness  
Chairman**

**Sydney, NSW  
28 February 2019**



**Sue Campbell-Lloyd AM  
Director**



**ST JOHN AMBULANCE AUSTRALIA (NSW)  
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**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	Note	2018 \$'000	2017 Restated \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	4,833	4,996
Trade and other receivables	7	1,390	1,476
Inventories	8	571	756
Other assets	10	993	479
Total current assets		<u>7,787</u>	<u>7,707</u>
<b>Non-current assets</b>			
Financial assets	9	18,974	18,806
Property, plant and equipment	11	1,854	1,987
Intangible assets	12	308	342
Other assets	10	264	369
Total non-current assets		<u>21,400</u>	<u>21,504</u>
<b>TOTAL ASSETS</b>		<b><u>29,187</u></b>	<b><u>29,211</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	2,534	1,970
Borrowings	14	21	21
Employee Entitlements	15	673	540
Other liabilities	16	425	540
Total current liabilities		<u>3,653</u>	<u>3,071</u>
<b>Non-current liabilities</b>			
Employee Entitlements	15	174	156
Borrowings	14	84	106
Other liabilities	16	10	10
Total non-current liabilities		<u>268</u>	<u>272</u>
<b>TOTAL LIABILITIES</b>		<b><u>3,921</u></b>	<b><u>3,343</u></b>
<b>NET ASSETS</b>		<b><u>25,266</u></b>	<b><u>25,868</u></b>
<b>EQUITY</b>			
Accumulated funds		25,801	25,578
Reserves	23	(535)	290
<b>TOTAL EQUITY</b>		<b><u>25,266</u></b>	<b><u>25,868</u></b>

The above statement of financial position should be read in conjunction with the accompanying notes.

**ST JOHN AMBULANCE AUSTRALIA (NSW)  
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 \$'000	2017 Restated \$'000
<b>Revenue</b>			
Product sales revenue		9,650	7,195
Training course fees revenue		8,248	7,847
Event fees revenue		2,465	2,664
Donations and grants		300	1,587
Other revenue	4	1,719	982
<b>Total revenue</b>		<b>22,382</b>	<b>20,275</b>
<b>Income</b>			
Other income	4	159	-
Gain on sale of property, plant & equipment		1	6,469
<b>Total other income</b>		<b>160</b>	<b>6,469</b>
<b>Expenses</b>			
Administration expenses		(2,032)	(1,893)
Contribution to St John Ambulance Australia (National Office)		(403)	(368)
Depreciation and amortisation	5	(687)	(1,107)
Distribution expenses		(4,987)	(3,189)
Employee expenses		(8,227)	(7,909)
Marketing expenses		(335)	(382)
Property expenditure		(2,256)	(1,700)
Training expenses		(583)	(570)
Transport expenses		(930)	(776)
Volunteer service expenses		(503)	(420)
Other expenses		(1,376)	(1,348)
<b>Total expenses</b>		<b>(22,319)</b>	<b>(19,662)</b>
<b>Surplus (deficit) before income tax</b>		<b>223</b>	<b>7,082</b>
Income tax		-	-
<b>Surplus (deficit) for the year</b>		<b>223</b>	<b>7,082</b>
<b>Other comprehensive income (deficit):</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Changes in the fair value of equity instruments		(825)	290
<b>Total comprehensive income (deficit) for the year</b>		<b>(602)</b>	<b>7,372</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**ST JOHN AMBULANCE AUSTRALIA (NSW)  
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**STATEMENT OF CHANGES IN EQUITY  
FOR YEAR ENDED 31 DECEMBER 2018**

	Fair Value through Other Comprehensive Income Reserve \$'000	Accumulated Funds \$'000	Total \$'000
<b>Balance at 1 January 2017 (Restated)</b>	-	18,496	18,496
<i>Comprehensive income</i>			
Profit (loss) for the year	-	7,082	7,082
Other comprehensive income	290	-	290
<b>Total comprehensive income for the year</b>	<b>290</b>	<b>7,082</b>	<b>7,372</b>
<b>Balance at 1 January 2018</b>	<b>290</b>	<b>25,578</b>	<b>25,868</b>
<i>Comprehensive income</i>			
Profit (loss) for the year	-	223	223
Other comprehensive income (deficit)	(825)	-	(825)
<b>Total comprehensive income for the year</b>	<b>(825)</b>	<b>223</b>	<b>(602)</b>
<b>Balance at 31 December 2018</b>	<b>(535)</b>	<b>25,801</b>	<b>25,266</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**ST JOHN AMBULANCE AUSTRALIA (NSW)  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		21,252	19,676
Payments to suppliers and employees		(21,356)	(20,001)
Donations and legacies received		300	1,456
Cash received on transfer of Norfolk Island Division		159	-
Dividends received		779	217
Interest received		78	58
		<u>1,212</u>	<u>1,406</u>
<b>Net cash flows from operating activities</b>			
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets		(525)	(539)
Proceeds from sale of property, plant and equipment, and intangible assets		6	17,765
Funds invested		(834)	(15,718)
		<u>(1,353)</u>	<u>1,508</u>
<b>Net cash flows from (used in) investing activities</b>			
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(22)	(21)
		<u>(22)</u>	<u>(21)</u>
<b>Net cash flows from (used in) financing activities</b>			
<b>Net increase (decrease) in cash and cash equivalents</b>			
		<u>(163)</u>	<u>2,893</u>
<b>Cash and cash equivalents at the beginning of the financial year</b>			
		<u>4,996</u>	<u>2,103</u>
<b>Cash and cash equivalents at the end of the financial year</b>			
	6	<u><u>4,833</u></u>	<u><u>4,996</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

**ST JOHN AMBULANCE AUSTRALIA (NSW)  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**1. GENERAL INFORMATION**

The financial report includes the consolidated financial statements and notes of St John Ambulance Australia (NSW) (“the company”) and its controlled entity (“group”). The company is registered as a company limited by guarantee.

The financial statements were approved by the Board of Directors on 28 February 2019.

**2. BASIS OF PREPARATION**

**(a) Statement of compliance**

The company and its controlled entity apply Australian Accounting Standards- Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

**(b) Basis of measurement**

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of financial assets.

*Rounding of amounts*

The company has applied the relief available to it under ASIC Corporations (Rounding in Financial/Director’s reports) Instrument 2016/191 issued by the Australian Securities and Investment Commission relating to the “rounding off” of amounts in the financial statements. Accordingly, the amounts presented in the financial statements have been rounded to the nearest thousand dollars (\$’000) unless otherwise stated.

**(c) Critical accounting estimates and judgements**

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**2. BASIS OF PREPARATION (CONTINUED)**

**(c) Critical accounting estimates and judgements (continued)**

**Key estimates**

*Impairment - general*

The group assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

*Estimation of useful lives of assets*

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

**(d) Comparatives**

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the group has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

**(e) New and amended accounting standards adopted by the group**

The group has applied AASB 9 Financial Instruments for the first time for its annual reporting period's commencing 1 January 2017.

As noted in note 3(l), the group changed its accounting policies and made certain retrospective adjustments following the adoption of AASB 9. This is disclosed in note 2(f).

**(f) Changes in accounting policy**

This note explains the impact of the adoption of AASB 9 Financial Instruments on the group's financial statements.

*(i) Impact on the financial statements*

As a result of the changes in the group's accounting policies the prior year financial information has been restated to conform with the new measurement and disclosure requirements of AASB9.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail below.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**2. BASIS OF PREPARATION (CONTINUED)**

**(f) Changes in accounting policy (continued)**

*(ii) Impact on the Statement of Financial Position*

	As originally presented \$'000	Amendments as result of adopting AASB 9 \$'000	Restated \$'000
<b>Total assets</b>	<b>29,211</b>	-	<b>29,211</b>
<b>Total liabilities</b>	<b>3,343</b>	-	<b>3,343</b>
<b>Net assets</b>	<b>25,868</b>	-	<b>25,868</b>
<b>Equity:</b>			
Accumulated Funds	25,868	(290)	25,578
Reserves	-	290	290
<b>Total equity</b>	<b>25,868</b>	-	<b>25,868</b>

*(iii) Impact on the Statement of Profit or Loss and Other Comprehensive Income*

	As originally presented \$'000	Amendments as result of adopting AASB 9 \$'000	Restated \$'000
Revenue	20,275	-	20,275
Other income	6,759	(290)	6,469
Expenses	(19,662)	-	(19,662)
<b>Surplus (deficit) for the year</b>	<b>7,372</b>	<b>(290)</b>	<b>7,082</b>
Other comprehensive income – changes in the fair value of equity instruments at fair value through other comprehensive income	-	290	290
<b>Total comprehensive income for the year</b>	<b>7,372</b>	-	<b>7,372</b>

There was no impact on the Statement of Cash Flows following adoption of AASB 9.

The group elected to present in OCI changes in the fair value of all its equity investments previously classified as fair value through profit or loss as the group has made an irrevocable election at the time of initial recognition to account for the equity investment FVOCI. The election has been made on the basis that the investments are strategic, long-term in nature and are held to generate returns to support of the group's mission and purpose.

As a result, assets with a fair value of \$18,806,000 as at 31 December 2017 were reclassified from financial assets at fair value through profit or loss to assets at fair value through other comprehensive income and fair value gains of \$290,000 was reclassified from profit or loss (gain on movement in fair value of financial assets) to the FVOCI reserve during the year ended 31 December 2017.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**2. BASIS OF PREPARATION (CONTINUED)**

**(f) Changes in accounting policy (continued)**

*(iii) Impact on the Statement of Profit or Loss and Other Comprehensive Income (continued)*

Any reclassification of fair value gains or losses prior to 1 January 2017 were transferred from the FVOCI reserve to accumulated funds.

The adoption of AASB 9 did not have any other material impacts on the financial statements, including the adoption of AASB 9's new expected credit loss model, with all other financial assets continuing to be measured at amortised cost.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Principles of consolidation**

The consolidated financial statements comprise the financial statements of the parent entity, being the company and its controlled entity and together are referred to in this report as the group. Control exists where the parent entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to effect returns through its power over the investee. A list of controlled entities is contained in Note 20 to the financial statements.

All inter-group balances and transactions between entities in the group, including any unrealised profits or losses, have been eliminated on consolidation. Where controlled entities have entered or left the group during the year, their operating results have been included from the date control was obtained or until the date control ceased.

There are no outside interests in the equity or results of the controlled entities.

**(b) Income tax**

The company and its controlled entity are exempt institutions from income tax under Division 50 of the *Income Tax Assessment Act 1997*. The company has deductible gift recipient (DGR) status.

**(c) Goods and services tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) Revenue recognition**

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

*Sale of goods*

Revenue arising from the sale of goods is recognised when all the following conditions have been satisfied:

- (a) the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the amount of revenue can be measured reliably;
- (c) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- (d) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

*Rendering of services*

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- (a) servicing fees included in the price of the products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- (b) revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses incurred.

*Interest revenue*

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

*Dividend and other investment revenue*

Dividends and other investment revenue are recognised when the right to receive payment is established.

*Donations and fundraising events*

The timing of the recognition of donations, grants and fundraising depends upon the point in time at which control of these monies is obtained. Control would normally occur upon the earlier of the receipt of the monies or notification that the monies have been secured.

*Government grants*

Government grants are assistance by the government in the form of transfers of resources to the group in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the group other than requirement to operate in certain regions or industry sectors.

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised as income of the period in which it becomes receivable. Government grants relating to income are recognised as revenue when there is a reasonable expectation that the group will comply with the conditions attaching to the grant and when control of the contribution is obtained, which is normally on receipt of the money.

*Contributions in kind*

Contributions in kind are recognised as income when control of the item of property, plant and equipment contributed passes to the group at fair value at the date of the contribution.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**(f) Inventories**

Inventories are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

**(g) Trade receivables**

For all sources of recurrent income, trade receivables are recognised at cost value less provision for doubtful debts.

From 1 January 2017, the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(h) Property, plant and equipment**

*Recognition and measurement*

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

*Subsequent costs*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

*Property*

Land and buildings are carried at cost, less depreciation and impairment losses on buildings. The carrying amount of land and buildings is reviewed annually by the Directors to ensure that it is not in excess of the recoverable amount from those assets.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Property, plant and equipment (continued)**

*Depreciation*

The depreciable amount of all property, plant and equipment including buildings, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the group commencing from the time the asset is held ready for use.

The depreciation useful life used for each class of depreciable assets is:

Buildings	20 – 30 years
Furniture and equipment	5 – 15 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**(i) Impairment of assets**

Other than trade receivables (note 3(g)) assets that have an indefinite useful life which are not subject to amortisation are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment losses are reversed through profit or loss when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

**(j) Non-current assets held for sale and discontinued operations**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

**(k) Leases**

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee the risks and benefits incidental to ownership of the leased property, and operating leases, under which the lessor effectively retains all such risks and benefits.

Where property, plant and equipment is acquired by means of finance leases the present value of minimum lease payments is established as an asset at the beginning of each lease term and depreciated on a straight line basis over the asset's expected useful life. A corresponding liability is also established and each lease payment is allocated between such liability and interest expense.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(I) Financial instruments**

*Classification*

Upon adoption of AASB 9, the group classified its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income ("OCI"), and;
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are recorded in OCI. For investments in equity instruments that are not held for trading, the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

*Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

*Measurement*

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset.

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

*Impairment*

From 1 January 2017, the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

*Application of revised accounting policies*

The group has applied AASB 9 retrospectively and has elected to restate comparative information. Details of the restatement are disclosed in note 2(f).



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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(m) Intangible assets**

*Software*

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the software over its estimated useful life of between 3 and 5 years.

**(n) Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

**(o) Revenue received in advance**

Revenue, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in profit or loss.

**(p) Employee benefits**

*Short-term employee benefits*

Provision is made for the group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

*Other long-term employee benefits*

The group classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the group's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(p) Employee benefits (continued)**

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

*Retirement benefit obligations*

Superannuation contributions are made by the group to employee superannuation funds and are charged as expenses when incurred.

**(q) Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(r) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of the loan facilities are recognised in profit or loss.

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	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<b>4. OTHER REVENUE AND INCOME</b>		
<b>Other revenue</b>		
Rent received	15	322
Dividends received	1,140	217
Other operating revenue	486	385
Interest income	78	58
	<u>1,719</u>	<u>982</u>
<b>Total other revenue</b>	<b>1,719</b>	<b>982</b>
<b>Other income</b>		
Net gain (loss) on disposal of property, plant and equipment	1	6,469
Net gain on transfer of assets in relation to Norfolk Island Division	159	-
	<u>160</u>	<u>6,469</u>
<b>Total other income</b>	<b>160</b>	<b>6,469</b>
<b>Total other revenue and other income</b>	<b>1,879</b>	<b>7,451</b>
<p>In August 2018, the company executed a service contract with the Australian Federal Government to support the delivery of volunteer first responder services on Norfolk Island. As a result of this contract, the existing assets of the Norfolk Island division, consisting of cash and term deposits totalling \$159K, became assets of the company. No liabilities of the Norfolk Island division were identified, accordingly the assets received have been recorded as other income in the 2018 financial statements.</p>		
<b>5. EXPENSES</b>		
<i>Depreciation:</i>		
Buildings	103	467
Furniture and equipment	253	294
Motor vehicles	165	207
	<u>666</u>	<u>1,068</u>
<i>Amortisation:</i>		
Intangible assets	166	139
	<u>166</u>	<u>139</u>
<b>Total depreciation and amortisation</b>	<b>832</b>	<b>1,207</b>
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	3,262	2,787
Short term bank deposits	1,571	2,209
	<u>4,833</u>	<u>4,996</u>
<b>Total cash and cash equivalents</b>	<b>4,833</b>	<b>4,996</b>

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	2018 \$'000	2017 \$'000
<b>7. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Trade receivables	1,515	1,558
Provision for impairment	<u>(125)</u>	<u>(82)</u>
Total current trade and other receivables	<u>1,390</u>	<u>1,476</u>
<b>Provision for impairment</b>		
The movement in the provision for impairment of receivables is as follows:		
Balance at the beginning of the financial year	82	123
Increase (decrease) in provision	<u>43</u>	<u>(41)</u>
Balance at the end of the financial year	<u>125</u>	<u>82</u>
<b>8. INVENTORIES</b>		
<b>Current</b>		
Stock on hand	725	920
Less: allowance for impairment	<u>(154)</u>	<u>(164)</u>
Total current inventories	<u>571</u>	<u>756</u>
<b>9. FINANCIAL ASSETS</b>		
<b>Non-current</b>		
<i>Financial assets at fair value through other comprehensive income</i>		
Managed funds – Equity Trustees	4,020	3,937
Managed funds – Harper Bernays Charitable Trust	649	743
Managed funds – Macquarie Group	9,632	10,300
Australian listed securities	3,729	3,826
Term deposits	<u>944</u>	<u>-</u>
<b>Total Non-current Financial Assets</b>	<u>18,974</u>	<u>18,806</u>
<b>Movements in carrying amount</b>		
Opening net carrying amount	18,806	2,673
Additions (withdrawals)	993	15,843
Fair value gain (loss) *	<u>(825)</u>	<u>290</u>
Closing net carrying amount	<u>18,974</u>	<u>18,806</u>
* Fair value gain (loss) represents the unrealised fair value adjustment to the carrying amount of the group's long term investment portfolio.		

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	2018 \$'000	2017 \$'000
<b>10. OTHER ASSETS</b>		
<b>Current</b>		
Accrued income	229	117
Dividends receivable	361	-
Prepayments	402	299
Security bond	1	63
	993	479
<b>Non-current</b>		
Security bond	16	-
Guarantee deposits*	248	369
	264	369

\*Guarantee deposits are acting as underlying security for certain of the group's leased properties.

**11. PROPERTY, PLANT AND EQUIPMENT**

	Land \$'000	Buildings \$'000	Furniture & Equipment \$'000	Motor Vehicles \$'000	Total \$'000
<b>As at 31 December 2018</b>					
Cost	65	2,226	8,488	3,391	14,170
Accumulated depreciation and impairment	-	(1,336)	(7,953)	(3,027)	(12,316)
Net carrying amount	65	890	535	364	1,854
<b>As at 31 December 2017</b>					
Cost	65	2,251	8,399	3,469	14,184
Accumulated depreciation and impairment	-	(1,371)	(7,772)	(3,054)	(12,197)
Net carrying amount	65	880	627	415	1,987
<b>Movements in carrying amounts</b>					
Opening net carrying amount	65	880	627	415	1,987
Additions	-	115	164	114	393
Transfers	-	-	-	-	-
Disposals	-	(2)	(3)	-	(5)
Depreciation charge for the year	-	(103)	(253)	(165)	(521)
Closing net carrying amount	65	890	535	364	1,854

*During September 2017, 9 Deane Street, Burwood (encompassing the land and building) was sold for \$16.7 million. Separately during December 2017 Lots 2, 3 and 4 at St Johns Road, Blaxland were sold for \$1.065 million.*

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**11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**Other buildings beneficially owned**

Other buildings beneficially owned by St John Ambulance Australia (NSW) and built on leased land, and with a book cost of \$Nil (2017: \$Nil) are:

- Blacktown, Myrtle Street (Lot 31)
- Broadmeadow, 177 Tudor Street
- Brocklehurst, Cnr Wambianna Street & Newell Highway (*garage owned*)
- Clarendon (*part of Hawkesbury Showground*)
- Granville, 2B Diamond Avenue
- Warners Bay, 18 James Street (Lot 11)

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>12. INTANGIBLE ASSETS</b>		
<b>Software</b>		
<i>Movements in carrying amounts</i>		
Opening net carrying amount	342	436
Additions	132	45
Amortisation	(166)	(139)
	308	342
Closing net carrying amount	308	342
<b>At the end of the financial year</b>		
Cost	1,626	1,494
Accumulated amortisation	(1,318)	(1,152)
	308	342
Net carrying amount	308	342
<b>13. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Trade payables	1,114	1,360
Other payables	1,420	610
	2,534	1,970
Total current trade and other payables	2,534	1,970



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	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<b>14. BORROWINGS</b>		
<b>Current</b>		
Financial lease – equipment	<u>21</u>	<u>21</u>
<b>Non-current</b>		
Finance lease – equipment	<u>84</u>	<u>106</u>
 The non-current portion of finance lease borrowings are due between one and five years.		
<b>Financing facilities</b>		
The company has a bank overdraft facility of \$500,000, and a corporate credit card facility of \$300,000.		
<b>Security</b>		
The financing facilities are secured by term deposits (see note 10), a mortgage over the land and buildings at 9 St Johns Road, Blaxland NSW and a first registered charge over all of the assets of the company.		
<b>15. EMPLOYEE ENTITLEMENTS</b>		
<b>Current</b>		
Annual leave	342	251
Long service leave	247	233
Other employee entitlements	<u>84</u>	<u>56</u>
	<u>673</u>	<u>540</u>
<b>Non-current</b>		
Long service leave	<u>174</u>	<u>156</u>
<b>16. OTHER LIABILITIES</b>		
<b>Current</b>		
Revenue received in advance	<u>425</u>	<u>540</u>
<b>Non-current</b>		
Scholarship endowment – Lady Galleghan Trust	<u>10</u>	<u>10</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. COMPANY INFORMATION**

The following information has been extracted from the books and records of the company and has been prepared in accordance with Australian Accounting Standards.

	<b>2018 \$'000</b>	<b>2017 Restated \$'000</b>
<b>Statement of financial position</b>		
<b>Assets</b>		
Current assets	7,787	7,707
Non-current assets	21,400	21,504
Total assets	29,187	29,211
<b>Liabilities</b>		
Current liabilities	3,653	3,071
Non-current liabilities	268	272
Total liabilities	3,921	3,343
Net Assets	25,266	25,868
<b>Equity</b>		
Accumulated funds	25,801	25,578
FVOCI reserve	(535)	290
Total equity	25,266	25,868
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Total surplus (deficit) for the year	223	7,082
Other comprehensive income (deficit)	(825)	290
Total comprehensive income (deficit)	<b>(602)</b>	<b>7,372</b>

**Guarantees**

The company has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its controlled entity.

**Contractual Commitments**

The contractual commitments of the company as at balance date are the same as those specified in Note 18.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. COMMITMENTS**

**Operating lease commitments**

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Within one year	1,662	1,710
Later than one year but not later than five years	1,553	1,622
	<u>3,215</u>	<u>3,332</u>

The current property leases are non-cancellable with terms of between 1 to 4 years. The leases have varying conditions including escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated and subject to approval.

**19. KEY MANAGEMENT PERSONNEL**

**Remuneration of key management personnel (“KMP”)**

The aggregate amount of compensation paid to KMP during the year was:

<u>1,111</u>	<u>1,077</u>
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**20. CONTROLLED ENTITIES**

<b>Controlled Entities Consolidated</b>	<b>Domiciled</b>	<b>Percentage owned</b>	
		<b>2018</b>	<b>2017</b>
<b>Parent entity</b>			
St John Ambulance Australia (NSW)	Australia	n/a	n/a
<b>Controlled entity</b>			
St John Ambulance Australia (NSW Trust) Limited	Australia	0%	0%

The company controlled St John Ambulance Australia (NSW Trust) Limited by virtue of its capacity to control the decision making of St John Ambulance Australia (NSW Trust) Limited, in relation to ensuring the pursuit of common objectives through its financial and operating policies.

On 18 January 2019, consent was received from ASIC for St John Ambulance Australia (NSW Trust) Limited to be converted to a private company, limited by shares, on this date the entity was renamed St John Ambulance Australia (NSW Trust) Pty Limited. On 28 February 2019 100% of the issued share capital was acquired by the company.

**21. RELATED PARTY TRANSACTIONS**

**Directors’ remuneration**

In accordance with the company’s Constitution (Item 10.16), a Director is not to be paid fees for acting as such except payment or reimbursement of reasonable disbursements relating to the business and activities of the company or reasonable fees for professional or technical services to the company previously approved by the Board. There were no other related party transactions during the year.

**ST JOHN AMBULANCE AUSTRALIA (NSW)  
AND CONTROLLED ENTITY  
ABN 84 001 738 370**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**22. LIMITATION OF MEMBERS' LIABILITY**

The company is registered as a company limited by guarantee, and in accordance with the Constitution the liability of members in the event of the company being wound up would not exceed \$1.00 per member. At 31 December 2018 the number of members of the company was 3,459 (2017: 3,139).

**23. RESERVES**

Movement in the FVOCI reserve during the year is as follows:

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Balance at beginning of year	290	-
Changes in the fair value of equity instruments at FVOCI	<u>(825)</u>	<u>290</u>
Balance at end of the year	<u><u>(535)</u></u>	<u><u>290</u></u>

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income.

**24. CHARITABLE FUNDRAISING ACTIVITIES**

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<b>Fundraising income and expenditure</b>		
<i>Gross proceeds from fundraising</i>		
Fundraising	<u>100</u>	<u>1,456</u>
	<u>100</u>	<u>1,456</u>
<i>Expenditure from fundraising appeals</i>		
Fundraising	<u>66</u>	<u>9</u>
	<u>66</u>	<u>9</u>
<b>Net surplus from fundraising</b>	<b><u><u>34</u></u></b>	<b><u><u>1,447</u></u></b>
<b>Key fundraising ratios</b>		
Total cost of fundraising (A)	66	9
Gross proceeds from fundraising (B)	100	1,456
(A) divided by (B)	66%	1%
Net surplus from fundraising (A)	34	1,447
Gross proceeds from fundraising (B)	100	1,456
(A) divided by (B)	34%	99%

**ST JOHN AMBULANCE AUSTRALIA (NSW)  
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ABN 84 001 738 370**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**24. CHARITABLE FUNDRAISING ACTIVITIES (CONTINUED)**

**Fundraising income activities**

Fundraising income activities carried out during the year were functions, raffles and social fundraising activities.

**Expenditure of funds raised**

Surplus funds from fundraising are utilised in delivering on the mission of the group.

The costs of fundraising during 2018 reflects the investment made in establishing the groups fundraising capability. The group has traditionally funded its community programs from the net surplus generated from our First Aid Sales and Training operations.

The surplus achieved from these and all of our commercial and fundraising activities goes directly to supporting our community programs, which include by way of example include free First Aid training for school students, leadership and personal development programs for our volunteers through to providing crucial first responder and events services for communities throughout NSW.

**25. SUBSEQUENT EVENTS**

With the exception of the items detailed in note 20 there were no events of a material or significant nature that occurred after the balance date.

**ST JOHN AMBULANCE AUSTRALIA (NSW)  
AND CONTROLLED ENTITY  
ABN 84 001 738 370**

**DIRECTORS' DECLARATION**

The Directors of St John Ambulance Australia (NSW) declare that, in the Directors' opinion:

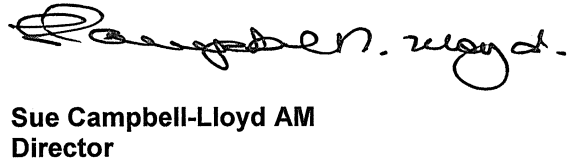
1. The financial statements, which comprises the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - (a) Comply with Australian Accounting Standards – Reduced Disclosure requirements; and
  - (b) Give a true and fair view of the group's financial position as at 31 December 2018 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



**Sean McGuinness**  
Chairman

Sydney, NSW  
28 February 2019



**Sue Campbell-Lloyd AM**  
Director


**ST JOHN AMBULANCE AUSTRALIA (NSW)  
AND CONTROLLED ENTITY  
ABN 84 001 738 370**

**DIRECTORS' DECLARATION UNDER THE CHARITABLE FUNDRAISING ACT**

In the opinion of the Directors of St John Ambulance Australia (NSW):

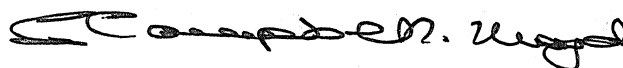
- (i) The financial statements and notes thereto give a true and fair view of all income and expenditure with respect to fundraising appeals conducted by the organisation for the year ended 31 December 2018; and
- (ii) The statement of financial position as at 31 December 2018 give a true and fair view of the state of affairs of the group with respect to fundraising appeals conducted by the organisation; and
- (iii) The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with by the organisation; and
- (iv) The internal controls exercised by the group are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors.



**Sean McGuinness**  
Chairman

**Sydney, NSW**  
**28 February 2019**



**Sue Campbell-Lloyd AM**  
Director

**Auditor's Independence Declaration**

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the consolidated financial report of St John Ambulance Australia (NSW) for the year ended 31 December 2018.

This declaration is in respect of St John Ambulance Australia (NSW) for and the entity it controlled during the year.



**Sydney, NSW**  
**28 February 2019**

**A G Smith**  
**Director**



## Independent Auditor's Report to the Members of St John Ambulance Australia (NSW)

### Opinion

We have audited the financial report of St John Ambulance Australia (NSW) ("the Company") and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- (a) the accompanying financial report of the Group is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance and cash flows for the year then ended; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (b) any money received as a result of fundraising appeals conducted during the year ended 31 December 2018 has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the Regulations thereto;
- (c) the financial statements and associated records have been properly kept during the financial year in accordance with provisions of the Charitable Fundraising Act 1991 and the Regulations thereto; and
- (d) at the date of this statement there are reasonable grounds to believe St John Ambulance Australia (NSW) will be able to pay its debts as and when they fall due.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors, would be in the same terms if given as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and the Directors for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Responsibilities of Management and the Directors for the Financial Report (continued)**

In preparing the financial report, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Report**


Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

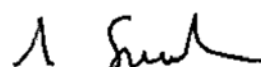
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**HLB Mann Judd Assurance (NSW) Pty Ltd**  
**Chartered Accountants**

**Sydney, NSW**  
**1 March 2019**



**A G Smith**  
**Director**



